

File No. 573

(Reprint of File No. 163)

House Bill No. 5564
As Amended by House
Amendment Schedule "A"

Approved by the Legislative Commissioner
April 17, 1998

AN ACT CONCERNING COMMUNITY ASSOCIATION MANAGERS.

Be it enacted by the Senate and House of
Representatives in General Assembly convened:

1 Subdivision (3) of section 20-450 of the
2 general statutes is repealed and the following is
3 substituted in lieu thereof:

4 (3) "Association management services" means
5 services provided to an association for
6 remuneration including one or more of the
7 following: (A) Collecting, controlling or
8 disbursing funds of the association or having the
9 authority to do so; (B) preparing budgets or other
10 financial documents for the association; (C)
11 assisting in the conduct of or conducting
12 association meetings; (D) advising or assisting
13 the association in obtaining insurance; (E)
14 coordinating or supervising the overall operations
15 of the association; (F) advising the association
16 on the overall operations of the association. Any
17 person licensed in this state under any provision
18 of the general statutes or rules of court who
19 provides the services for which he is licensed to
20 an association for remuneration, shall not be
21 deemed to be providing association management
22 services. Any director, officer or other member of

23 an association who provides services specified in
24 this subsection to the association of which he is
25 a member shall not be deemed to be providing
26 association management services UNLESS SUCH
27 DIRECTOR, OFFICER OR OTHER MEMBER OWNS OR CONTROLS
28 MORE THAN TWO-THIRDS BUT LESS THAN ALL OF THE
29 VOTES IN SUCH ASSOCIATION.

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER HB 5564

STATE IMPACT Minimal Workload Increase, Minimal
Revenue Gain, see explanation
below

MUNICIPAL IMPACT None

STATE AGENCY(S) Department of Consumer Protection

EXPLANATION OF ESTIMATES:

Passage of this bill as amended requires a community association director, officer or other member to register as a community association manager if he (1) owns or controls more than two-thirds but less than all of a community association's votes and (2) provides association management services to a community association for remuneration.

Currently, there are 110 community association managers registered with the Department of Consumer Protection (DCP). It is anticipated that there will be a minimal number of additional people required to register with DCP as a result of passage of this bill as amended.

DCP will experience a minimal absorbable workload increase as the definition of a community association manager is broadened, which will cause a minimal increase in enforcement responsibilities.

Additionally, there will be a minimal increase in revenue to the general fund from the \$60 application fee and \$100 registration fee resulting from additional persons seeking registration as a community association manager. The actual increased revenue is dependent on the number of persons seeking such registration.

House Amendment "A" makes a technical change and has no fiscal impact.

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OLR AMENDED BILL ANALYSIS

HB 5564 (as amended by House "A")*

AN ACT CONCERNING COMMUNITY ASSOCIATION MANAGERS

SUMMARY: This bill requires a community association director, officer, or other member to register with the Department of Consumer Protection as a community association manager if he (1) owns or controls more than two-thirds but less than all of a community association's votes and (2) provides association management services to a community association for remuneration.

*House Amendment "A" makes a technical change.

EFFECTIVE DATE: October 1, 1998

BACKGROUND

Community Association Manager

Under current law, a contract between an association and anyone providing association management services must be written and require the association manager to be registered and have a fidelity bond. It must also require the manager to obtain the written approval of an officer designated by the association before (1) issuing a check on behalf of the association or transferring more than an amount specified by the association or (2) entering into a contract binding the association worth more than an amount specified by the association.

Legislative History

The House referred the bill (File 163) to the Judiciary Committee, on April 1. That committee reported it favorably without change on April 9.

COMMITTEE ACTION

General Law Committee

Joint Favorable Report
Yea 16 Nay 0

Judiciary Committee

Joint Favorable Report
Yea 23 Nay 0